

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE FILING BY)	ORDER APPROVING
NORTHWESTERN CORPORATION D/B/A)	PURCHASES, REVISED
NORTHWESTERN ENERGY FOR APPROVAL)	TARIFFS AND RATES AND
TO PURCHASE THE NATURAL GAS SYSTEM)	WITHDRAWAL OF AMPI
OF THE CITY OF FREEMAN AND THE AMPI)	TARIFF
TRANSMISSION LINE)	NG06-013

On October 23, 2006, the Public Utilities Commission (Commission) received a filing from NorthWestern Corporation d/b/a NorthWestern Energy (NWE) for approval to purchase the Municipal Natural Gas System of the City of Freeman, pending voter approval. NWE proposes to adopt the current billing rates of the Freeman Natural Gas System for customers other than AMPI and proposes to serve AMPI under NWE's rate 85 plus the currently effective AMPI pipeline rate. NWE is also proposing to purchase the transmission pipeline owned by Associated Milk Producers Incorporated (AMPI) which transports gas to the Freeman system. The AMPI pipeline and Freeman gas system serve approximately 350 customers. The proposed Natural Gas Tariffs filed by NWE adopting current rates and the proposed AMPI rate were:

Section 1

29th Revised Sheet No. 1, Canceling 28th Revised Sheet No. 1
5th Revised Sheet No. 2, Canceling 4th Revised Sheet No. 2

Section 2

8th Revised Sheet No. 1, Canceling 7th Revised Sheet No. 1

Section 3

Original Sheet 1.1
Original Sheet 1.2
Original Sheet 2.1
Original Sheet 2.2
Original Sheet 2.3
Original Sheet 3.4
Original Sheet 4.3
Original Sheet 4.4

On October 26, 2006, the Commission electronically transmitted notice of the filing and the intervention deadline of November 10, 2006, to interested individuals and entities. No petitions to intervene or comments were filed. On December 18, 2006, AMPI filed a formal request for withdrawal of its existing tariff and also, NWE filed revised tariff sheets.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-34A-4.

At its regularly scheduled meeting on December 19, 2006, the Commission considered this matter. NWE stated that the vote was held on November 7, 2006, and the voters approved the sale by an overwhelming majority. Commission Staff recommended approval of the filing. The Commission voted unanimously to approve the purchase of the AMPI transmission pipeline, the

purchase of the Freeman distribution system, the revised tariffs and rates and the withdrawal of the AMPI tariff. It is therefore

ORDERED, that the purchase of the AMPI transmission pipeline, the purchase of the Freeman distribution system, the revised tariffs and rates and the withdrawal of the AMPI tariff are hereby approved. It is further

ORDERED, that the effective date of the proposed tariffs shall be for service rendered on and after the date of the meter reading to take place at the time of the sale closing and that NWE shall file tariff sheets immediately after such closing reflecting the actual effective date. It is further

ORDERED, that approval of the rates filed herein does not reflect Commission approval of any specific treatment of acquisition costs and that such costs may be considered by the Commission at a later time.

Dated at Pierre, South Dakota, this 9th day of January, 2007.

<p align="center">CERTIFICATE OF SERVICE</p> <p>The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.</p> <p>By: <u><i>Neilino Kalbo</i></u></p> <p>Date: <u>1/12/07</u></p> <p align="center">(OFFICIAL SEAL)</p>
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BY ORDER OF THE COMMISSION:

Dustin M. Johnson
DUSTIN M. JOHNSON, Chairman

Gary Hanson
GARY HANSON, Commissioner

Steve Kolbeck
STEVE KOLBECK, Commissioner